

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES M. MACHADO | ROBERT B. MCCARTHY | JENNIFER F. SULLIVAN

MEMORANDUM

TO: Hull Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: December 9, 2016

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on August 1 of each fiscal year. The schedule is effective in FY17 (since the amount under the prior schedule was maintained in FY17) and is acceptable under Chapter 32.

Note that our recent approval letter of November 15, 2016 reflected the schedule we thought the Board had adopted which included a fully generational mortality assumption. The Board did not adopt a fully generational assumption. We encourage the Board to adopt such an assumption when the next valuation is completed. Currently 89 systems have adopted a fully generational mortality assumption, and we expect when the 2016 valuation are completed, at least 97 will have adopted such an assumption.

The schedule reflects a 7.75% investment return assumption. When the 2016 valuations are completed, we expect almost 60 systems will be using an assumption under 7.75% with the majority using a 7.5% assumption. The Board should consider reducing this assumption in the next actuarial valuation.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

JEC/jrl

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Enc.





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Colchester, CT 06413
(860) 517-9280

West Coast
1350 E. Ramonito Road, Suite 254
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EXHIBIT F

Hull Retirement System Funding Schedule

Fiscal Year	Net Normal Cost	Unfunded Actuarial Accrued Liability	Funding Amortization of UAAL	Net 3(8)(c) Payments	Interest for installment payments	Scheduled Contribution	Prior Schedule	Change from Prior Schedule
2017	845,806	30,780,606	2,630,790	125,000	22,473	3,624,069	3,601,596	22,473
2018	1,090,221	28,231,984	2,524,406	125,000	23,334	3,762,961	3,739,627	23,334
2019	1,139,281	27,699,915	2,618,889	125,000	24,230	3,907,400	3,883,170	24,230
2020	1,190,549	27,024,806	2,716,897	125,000	25,161	4,057,607	4,032,446	25,161
2021	1,244,124	26,191,772	2,818,561	125,000	26,130	4,213,815	4,187,685	26,130
2022	1,300,110	25,184,635	2,924,018	125,000	27,137	4,376,265	4,349,128	27,137
2023	1,358,615	23,985,815	3,033,408	125,000	28,185	4,545,208	4,517,023	28,185
2024	1,419,753	22,576,219	3,146,877	125,000	29,274	4,720,904	4,691,630	29,274
2025	1,483,642	20,935,116	3,264,577	125,000	30,407	4,903,626	4,873,219	30,407
2026	1,550,406	19,040,006	3,386,665	125,000	31,586	5,093,657	5,062,071	31,586
2027	1,620,174	16,866,475	3,513,305	125,000	32,811	5,291,290	5,258,479	32,811
2028	1,693,082	14,388,041	3,644,664	125,000	34,086	5,496,832	5,462,746	34,086
2029	1,769,271	11,575,989	3,780,918	125,000	35,411	5,710,600	5,675,189	35,411
2030	1,848,888	8,399,189	3,922,248	125,000	36,790	5,932,926	5,896,136	36,790
2031	1,932,088	4,823,904	4,068,855	125,000	38,224	6,164,167	6,125,943	38,224
2032	2,019,032	813,565	813,565	125,000	18,454	2,976,051	1,761,873	1,214,178
2033	2,109,888	0	0	125,000	13,945	2,248,833	1,835,532	413,301
2034	2,204,833	0	0	125,000	14,537	2,344,370	1,912,506	431,864
2035	2,304,050	0	0	125,000	15,156	2,444,206	1,992,944	451,262
2036	2,407,732	0	0	125,000	15,803	2,548,535	2,077,001	471,534
2037	2,516,080	0	0	125,000	16,479	2,657,559	2,164,841	492,718

Amortization of Unfunded Actuarial Accrued Liability as of July 1, 2017

Year	Type	Original Amortization Amount	Percentage Increasing	Original # of Years	Current Amortization Amount
2018	Fresh Start	2,524,406	3.80%	15	2,524,406